



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

April 26, 2010

EXECUTIVE OFFICE

The Honorable Kirk Adams
Speaker of the House
Arizona House of Representatives
1700 W. Washington
Phoenix, Arizona 85007

Re: House Bill 2215 (tax assessment of retention basins)

Dear Speaker Adams,

Today, I vetoed House Bill 2215. This bill was introduced to establish a method of property valuation for commercial and industrial retention basins. The bill also establishes the value of retention basins at \$500 per parcel.

House Bill 2215 could lead to unintended fiscal and policy consequences if it were to become law in its current form.

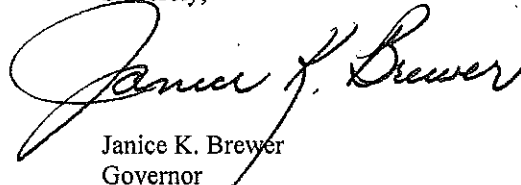
Chief among those consequences is a yet-unknown impact to property tax rates. Allowing the values of these parcels of property to drop would lower overall property valuations and would necessarily require the state to adjust the QTR upwardly.

The value of a retention basin is difficult to capture as a stand-alone parcel; therefore this change could significantly increase the number of parcels that would be reclassified as retention basins. This could also create confusion as to how an assessor is expected to capture the value of adjacent parcels.

Arizona's property tax system relies on accounting for improvements made to land. If improvements are removed from the equation as though they are of no value, such as is proposed in HB 2215, the property tax system is eroded.

The Maricopa County Assessor has recognized the need to revise valuation policies and procedures addressing the full cash value of certain types of restricted use properties, such as retention basins. I encourage and support these efforts.

Sincerely,



Janice K. Brewer
Governor

Cc: The Honorable Robert Burns
The Honorable Andy Biggs

House Engrossed

State of Arizona
House of Representatives
Forty-ninth Legislature
Second Regular Session
2010

HOUSE BILL 2215

AN ACT

AMENDING TITLE 42, CHAPTER 13, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 11; RELATING TO PROPERTY TAX ASSESSMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Passed the House March 3, 2010

Passed the Senate April 19, 2010

by the following vote: 36 Ayes,

by the following vote: 20 Ayes,

24 Nays, 0 Not Voting

8 Nays, 2 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

20 day of April, 2010

at 4:40 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this _____ day of _____

[Signature]
VETO
at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20____

at _____ o'clock _____ M.

H.B. 2215

Secretary of State